

# Senate Study Bill 3042 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED UNDERGROUND  
STORAGE TANK FUND BOARD  
BILL)

## A BILL FOR

1 An Act relating to underground storage tanks, including by  
2 creating the Iowa tanks fund and Iowa tanks fund financing  
3 program, repealing the Iowa comprehensive petroleum  
4 underground storage tank fund, and eliminating the Iowa  
5 comprehensive petroleum underground storage tank fund  
6 board, requiring a study, and including effective date and  
7 transition provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA TANKS FUND

Section 1. Section 455B.471, subsection 1, Code 2022, is amended by striking the subsection.

Sec. 2. Section 455B.471, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. "*Claimant*" means an owner or operator who has received assistance under the Iowa tanks fund or its predecessor, the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, Code 2022.

NEW SUBSECTION. 1B. "*Community remediation*" means a curriculum of coordinated testing, planning, or remediation involving two or more tank sites potentially connected with a continuous contaminated area, pursuant to rules adopted by the commission under section 455B.474. A community remediation does not expand the scope of coverage otherwise available or relieve liability otherwise imposed under state or federal law.

NEW SUBSECTION. 2A. "*Costs*" means all costs, charges, expenses, or other indebtedness incurred by a claimant that are determined by the department to be reasonable for carrying out all works and undertakings necessary or incidental to the accomplishment of any project. "*Costs*" includes reasonable attorney fees and costs of litigation for which moneys are expended from the fund in connection with a release.

NEW SUBSECTION. 3A. "*Insurance*" means any form of financial assistance or showing of financial responsibility sufficient to comply with the federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., or the department's underground storage tank financial responsibility rules.

NEW SUBSECTION. 7A. "*Potentially responsible party*" means a person who may be responsible or liable for a release for which payments from the fund were made for corrective action or third-party liability.

NEW SUBSECTION. 7B. "*Program*" means the Iowa tanks fund financing program created pursuant to section 455B.472A.

1     NEW SUBSECTION. 10A. *"Third-party liability"* means any of  
2 the following:

3     a. Property damage including physical injury to tangible  
4 property, but not including loss of use. Property damage does  
5 not include costs to remediate.

6     b. Bodily injury including sickness, physical injury, or  
7 death.

8     Sec. 3. Section 455B.471, subsection 3, Code 2022, is  
9 amended to read as follows:

10     3. *"Fund"* means the Iowa ~~comprehensive petroleum underground~~  
11 ~~storage tank tanks~~ fund created in section 455B.472A.

12     Sec. 4. Section 455B.472, Code 2022, is amended to read as  
13 follows:

14     **455B.472 Declaration of policy.**

15     The general assembly finds that the release of regulated  
16 substances from underground storage tanks constitutes a  
17 threat to the public health and safety and to the natural  
18 resources of the state, and that existing regulatory programs  
19 of the department and other agencies do not adequately or  
20 appropriately address this substantial public concern.

21 Additionally, the general assembly recognizes that because the  
22 appropriation of moneys to the Iowa comprehensive petroleum  
23 underground storage tank fund created in section 455G.3, Code  
24 2022, ended on December 31, 2016, it is in the public interest  
25 to expeditiously use any remaining moneys from the Iowa  
26 comprehensive petroleum underground storage tank fund to assist  
27 as many owners as possible with financing all or part of the  
28 costs of corrective action for petroleum releases from leaking  
29 underground storage tanks through the establishment of the Iowa  
30 tanks fund financing program. The financing program shall last  
31 as long as moneys remain available, and the general assembly  
32 recognizes that moneys available for the financing program will  
33 eventually be depleted.

34     Sec. 5. NEW SECTION. **455B.472A Iowa tanks fund financing**  
35 **program — fund created.**

1     1. The department shall establish and administer an Iowa  
2 tanks fund financing program for the purpose of reimbursing  
3 eligible claimants for all or part of the costs of corrective  
4 action for petroleum releases previously eligible for payment  
5 from the Iowa comprehensive petroleum underground storage tank  
6 fund pursuant to chapter 455G, Code 2022.

7     2. The department shall distribute financial assistance, up  
8 to one million dollars total, for work conducted by eligible  
9 entities that comply with the requirements of the program. The  
10 department shall determine if work completed is eligible for  
11 reimbursement under the program.

12    3. The department may enter into any agreements and provide  
13 any documents, instruments, certificates, data, or information  
14 necessary in connection with the operation, administration,  
15 and financing of the program consistent with this part 8 of  
16 subchapter IV, the federal Resource Conservation and Recovery  
17 Act, 42 U.S.C. §6901 et seq., the rules of the commission, and  
18 other applicable federal and state law.

19    4. The department may act to conform the program to the  
20 applicable guidance and regulations adopted by the United  
21 States environmental protection agency.

22    5. The Iowa tanks fund is created in the state treasury  
23 under the control of the department. The fund shall consist  
24 of moneys appropriated or transferred to the fund, interest  
25 attributable to moneys in the fund, moneys in the form of  
26 a devise, gift, bequest, donation, federal or other grant,  
27 reimbursement, repayment, judgment, or payment from any source  
28 intended to be used for the purposes of the fund, all receipts  
29 by the fund, and any other moneys credited to the fund from  
30 any public or private source. Notwithstanding section 8.33,  
31 any moneys in the fund shall not revert to any other fund.  
32 Notwithstanding section 12C.7, subsection 2, interest or  
33 earnings on moneys in the fund shall be credited to the fund.

34    6. The department shall administer the fund to carry out  
35 the purposes of the program and shall manage the revenue,

1 administration, restrictions, and disposition of the fund.

2 7. Moneys in the fund shall be used to reimburse tank owners  
3 for all or part of the costs of a corrective action for a  
4 petroleum release and for permanent closure of an underground  
5 storage tank system under the program, for additional  
6 assessment and corrective action arising out of releases at  
7 sites for which a certificate of no further action has been  
8 issued, for tank operator training, and for administrative  
9 costs of the department associated with the program.

10 8. a. For the fiscal year beginning July 1, 2023, and for  
11 each fiscal year thereafter, there is appropriated from the  
12 general fund of the state to the department of agriculture  
13 and land stewardship for the sole purpose of inspecting  
14 fuel quality at pipeline terminals and renewable fuel  
15 production facilities, including associated salaries, support,  
16 maintenance, and miscellaneous purposes, two hundred fifty  
17 thousand dollars.

18 b. Notwithstanding section 8.33, moneys appropriated in this  
19 subsection that remain unencumbered or unobligated at the close  
20 of a fiscal year shall not revert but shall remain available  
21 for expenditure for the purposes designated until the close of  
22 the succeeding fiscal year.

23 9. Moneys in the fund are not considered part of the general  
24 fund of the state and are not subject to appropriation for any  
25 other purpose by the general assembly. The fund is a separate  
26 dedicated fund under the administration and control of the  
27 department.

28 10. Payments for reimbursement or other costs relating to  
29 any claim or cause of action in connection with a tank not  
30 owned or operated by the state or an agency of the state shall  
31 be made solely from the fund and no liability is otherwise  
32 imposed upon the state. Moneys from the fund are limited  
33 to the extent of coverage provided by the applicable account  
34 within the fund under which a claim is submitted, subject  
35 to the terms and conditions of that coverage. A court, an

1 administrative law judge, the department, or the commission  
2 shall not order or approve a remedy that would require the  
3 fund to exceed the fund's then current funding limitations to  
4 satisfy an award or that would restrict the availability of  
5 moneys for higher priority sites. The state is not otherwise  
6 liable for a claim related to the fund and moneys from the  
7 general fund shall not be used to pay for reimbursement  
8 or other costs relating to any claim or cause of action in  
9 connection with a tank not owned or operated by the state or an  
10 agency of the state.

11 Sec. 6. NEW SECTION. **455B.472B Cost recovery enforcement.**

12 1. *Full recovery sought by department.* The department  
13 may seek full recovery from an owner, operator, or other  
14 potentially responsible party liable for a release that is the  
15 subject of a corrective action for which moneys from the fund  
16 are expended, or for which moneys from the Iowa comprehensive  
17 petroleum underground storage tank fund created in section  
18 455G.3, Code 2022, were expended, including for third-party  
19 liability and for all other costs. If federal cleanup moneys  
20 are recovered, the federal cleanup moneys shall be used solely  
21 for the purpose of future cleanup activities.

22 2. *Limitation of liability of owner or operator.* Except  
23 as provided in subsection 3, the department shall not seek  
24 recovery for expenses in connection with corrective action for  
25 a release from an owner or operator eligible for assistance  
26 under the program, except for any unpaid portion of the  
27 deductible or copayment. This subsection does not affect any  
28 authorization of the department to impose or collect civil or  
29 administrative fines, penalties, or fees. Moneys from the fund  
30 shall not be used to pay for any third-party liability.

31 3. *Owner or operator not in compliance.* Notwithstanding  
32 subsection 2, the liability of an owner or operator shall be  
33 the full and total costs of corrective action and bodily injury  
34 or property damage to third parties, as specified in subsection  
35 1, if the owner or operator has not complied with the financial

1 responsibility or other underground storage tank rules of  
2 the department or with this part 8 of subchapter IV or rules  
3 adopted under this part.

4     4. *Lien on tank site.* Any amount for which an owner or  
5 operator is required to pay to the fund by statute, rule,  
6 contract, or determination of liability by the department after  
7 hearing, if not paid when due, shall constitute a lien upon the  
8 real property where the tank that was the subject of corrective  
9 action is located, and the payment shall be collected in the  
10 same manner as the environmental protection charge pursuant to  
11 section 424.11, Code 2016.

12     5. *Joinder of parties.* The department has standing in  
13 any case or contested action related to the fund or a tank  
14 to assert any claim that the department may have regarding  
15 the tank at issue in the case or contested action. Upon  
16 motion and sufficient showing by a party to a cost recovery or  
17 subrogation action provided for under this section, the court  
18 or the administrative law judge shall join to the action any  
19 potentially responsible party who may be liable for costs and  
20 expenditures of the type recoverable pursuant to this section.

21     6. *Third-party contracts.* An insurance, indemnification,  
22 hold-harmless, conveyance, or similar risk-sharing or  
23 risk-shifting agreement shall not be effective to transfer  
24 any liability for costs recoverable under this section. The  
25 department may proceed directly against the owner, operator,  
26 or other potentially responsible party. This subsection does  
27 not bar any agreement to insure, hold harmless, or indemnify  
28 a party to the agreement for any costs or expenditures under  
29 this part 8 of subchapter IV, and does not modify rights  
30 between the parties to an agreement, except to the extent the  
31 agreement shifts liability to an owner or operator eligible  
32 for assistance under the program for any damages or other  
33 costs in connection with a corrective action for which another  
34 potentially responsible party is or may be liable. Any such  
35 provision is void and of no further force and effect.

1     7. *Later proceedings permitted against other parties.* The  
2 entry of judgment against a party to the action does not  
3 bar a future action by the department against another person  
4 who is later alleged to be or discovered to be liable for  
5 costs and expenditures paid from the fund. Notwithstanding  
6 section 668.5, a potentially responsible party shall not seek  
7 contribution or any other recovery from an owner or operator  
8 eligible for assistance under the program for damages or other  
9 costs in connection with corrective action for a release for  
10 which the potentially responsible party is or may be liable.  
11 Subsequent successful proceedings against another party shall  
12 not modify or reduce the liability of a party against whom  
13 judgment has been previously entered.

14     8. *Claims against potentially responsible parties.*

15     a. Upon payment from the fund for corrective action or  
16 third-party liability pursuant to this part 8 of subchapter  
17 IV, the rights of the claimant to recover payment from any  
18 potentially responsible party are assumed by the department to  
19 the extent paid from the fund. A claimant shall not receive  
20 double compensation for the same injury.

21     b. In an action brought pursuant to this part 8 of  
22 subchapter IV seeking damages for corrective action or  
23 third-party liability, the court shall allow evidence and  
24 argument as to the replacement or indemnification of actual  
25 economic losses incurred or to be incurred in the future by the  
26 claimant by reason of insurance benefits, governmental benefits  
27 or programs, or other sources.

28     c. A claimant may elect to authorize the department  
29 to pursue the claimant's cause of action for any injury  
30 not compensated from the fund against any potentially  
31 responsible party, provided the attorney general determines  
32 such representation would not be a conflict of interest. If  
33 a claimant so elects, the department's litigation expenses  
34 shall be shared on a pro rata basis with the claimant, but the  
35 claimant's share of litigation expenses is payable exclusively



1 from any share of the settlement or judgment payable to the  
2 claimant.

3 9. *Exclusion of punitive damages.* Moneys from the fund  
4 shall not be used to pay punitive damages.

5 Sec. 7. NEW SECTION. **455B.472C Discretionary rulemaking.**

6 1. The commission may adopt rules pursuant to chapter  
7 17A conditioning receipt of moneys from the fund to those  
8 petroleum-contaminated properties that present a higher degree  
9 of risk to the public health and safety or the environment and  
10 providing for denial of moneys from the fund to a person who  
11 did not make a good-faith attempt to comply with this part 8  
12 of subchapter IV. This subsection does not confer a legal  
13 right to an owner of a petroleum-contaminated property, or an  
14 owner or operator of an underground storage tank located on the  
15 property, for receipt of moneys under this part 8 of subchapter  
16 IV.

17 2. The commission may adopt rules pursuant to chapter  
18 17A providing for the transfer of all or a portion of the  
19 liabilities relating to the fund. Notwithstanding any other  
20 provision to the contrary, the department, upon such transfer,  
21 shall not maintain any duty to reimburse claimants for those  
22 liabilities transferred.

23 Sec. 8. Section 455B.474, subsection 1, paragraph a,  
24 subparagraph (6), subparagraph divisions (g), (i), and (j),  
25 Code 2022, are amended to read as follows:

26 (g) An owner or operator may elect to proceed with  
27 additional corrective action on the site. However, any  
28 action taken in addition to that required pursuant to this  
29 subparagraph (6), shall be solely at the expense of the owner  
30 or operator and shall not be considered corrective action  
31 for purposes of [section 455G.9 455B.472A](#), unless otherwise  
32 previously agreed to by the ~~board~~ department and the owner or  
33 operator pursuant to [section 455G.9, subsection 7 455B.472A](#).  
34 Corrective action taken by an owner or operator due to the  
35 department's failure to meet the time requirements provided in

1 subparagraph division (e) shall be considered corrective action  
2 for purposes of [section 455G.9 455B.472A](#).

3 (i) Replacement or upgrade of a tank on a site classified  
4 as a high or low risk site shall be equipped with a secondary  
5 containment system with monitoring of the space between the  
6 primary and secondary containment structures or other ~~board~~  
7 ~~approved~~ tank system or methodology approved by the department.

8 (j) The commission and the ~~board~~ department shall cooperate  
9 to ensure that remedial measures required by the corrective  
10 action rules adopted pursuant to this subparagraph (6) are  
11 reasonably cost-effective and shall, to the fullest extent  
12 possible, avoid duplicating and conflicting requirements.

13 Sec. 9. Section 455B.474, subsection 2, unnumbered  
14 paragraph 1, Code 2022, is amended to read as follows:

15 The maintenance of evidence of financial responsibility as  
16 the director determines to be feasible and necessary for taking  
17 corrective action and for compensating third parties for bodily  
18 injury and property damage caused by release of a regulated  
19 substance from ~~an underground storage~~ a tank.

20 Sec. 10. Section 455B.474, subsection 9, paragraph d, Code  
21 2022, is amended to read as follows:

22 *d.* The certification of groundwater professionals shall not  
23 impose liability on ~~the board~~, the department, or the fund for  
24 any claim or cause of action of any nature, based on the action  
25 or inaction of a groundwater professional certified pursuant  
26 to [this subsection](#).

27 Sec. 11. Section 455B.474, Code 2022, is amended by adding  
28 the following new subsection:

29 NEW SUBSECTION. 11. Department practices and procedures  
30 for implementing and administering the Iowa tanks fund  
31 financing program. The rules shall include but are not limited  
32 to requirements for program eligibility, investigating and  
33 settling claims made against the fund, appeal procedures,  
34 community remediation, prioritization of fund moneys,  
35 funding for tank operator training, additional assessment

1 and corrective action arising out of releases at sites for  
2 which a certificate of no further action has been issued, and  
3 reimbursement for the permanent closure of an underground  
4 storage tank system.

5 Sec. 12. Section 455B.477, subsection 7, Code 2022, is  
6 amended to read as follows:

7 ~~7. The civil penalties or other damages or moneys recovered~~  
8 ~~by the state or the petroleum underground storage tank fund in~~  
9 ~~connection with a petroleum underground storage tank under this~~  
10 ~~part 8 of subchapter IV or [chapter 455G](#) shall be credited to~~  
11 ~~the fund created in [section 455G.3](#) and allocated between fund~~  
12 ~~accounts according to the fund budget.~~ Any federal moneys,  
13 including but not limited to federal underground storage tank  
14 trust fund moneys, received by the state or the department of  
15 natural resources in connection with a release occurring on  
16 or after May 5, 1989, or received generally for underground  
17 storage tank programs on or after May 5, 1989, shall be  
18 credited to the fund created in [section 455G.3](#) and allocated  
19 between fund accounts according to the fund budget, unless  
20 such use would be contrary to federal law. The department  
21 shall cooperate with the board of the Iowa comprehensive  
22 petroleum underground storage tank fund to maximize the state's  
23 eligibility for and receipt of federal funds for underground  
24 storage tank related purposes.

25 Sec. 13. EFFECTIVE DATE. This division of this Act takes  
26 effect July 1, 2023.

27 DIVISION II

28 CONFORMING CHANGES

29 Sec. 14. Section 68B.35, subsection 2, paragraph e, Code  
30 2022, is amended to read as follows:

31 e. Members of the state banking council, the Iowa ethics  
32 and campaign disclosure board, the credit union review board,  
33 the economic development authority, the employment appeal  
34 board, the environmental protection commission, the health  
35 facilities council, the Iowa finance authority, the Iowa public

1 employees' retirement system investment board, the board of  
2 the Iowa lottery authority, the natural resource commission,  
3 the board of parole, ~~the petroleum underground storage tank~~  
4 ~~fund board~~, the public employment relations board, the state  
5 racing and gaming commission, the state board of regents, the  
6 transportation commission, the office of consumer advocate, the  
7 utilities board, the Iowa telecommunications and technology  
8 commission, and any full-time members of other boards and  
9 commissions as defined under [section 7E.4](#) who receive an annual  
10 salary for their service on the board or commission. The Iowa  
11 ethics and campaign disclosure board shall conduct an annual  
12 review to determine if members of any other board, commission,  
13 or authority should file a statement and shall require the  
14 filing of a statement pursuant to rules adopted pursuant to  
15 chapter 17A.

16 Sec. 15. Section 159A.11, subsection 10, Code 2022, is  
17 amended by striking the subsection.

18 Sec. 16. Section 159A.13, subsection 6, Code 2022, is  
19 amended by striking the subsection.

20 Sec. 17. Section 159A.14, subsection 2, Code 2022, is  
21 amended to read as follows:

22 2. A person may apply to the department to receive financial  
23 incentives on a cost-share basis. The department shall forward  
24 the applications ~~to the underground storage tank fund board as~~  
25 ~~required by that board for evaluation and recommendation. The~~  
26 ~~underground storage tank fund board may rank the applications~~  
27 ~~with comments and shall forward them~~ to the infrastructure  
28 board for approval or disapproval. The department shall award  
29 financial incentives on a cost-share basis to an eligible  
30 person whose application was approved by the infrastructure  
31 board.

32 Sec. 18. Section 159A.15, subsection 1, Code 2022, is  
33 amended to read as follows:

34 1. A person may apply to the department to receive financial  
35 incentives on a cost-share basis. The department shall forward

1 the applications ~~to the underground storage tank fund board as~~  
2 ~~required by that board for evaluation and recommendation. The~~  
3 ~~underground storage tank fund board may rank the applications~~  
4 ~~with comments and shall forward them~~ to the infrastructure  
5 board for approval or disapproval. The department shall award  
6 financial incentives on a cost-share basis to an eligible  
7 person whose application was approved by the infrastructure  
8 board.

9 Sec. 19. Section 323.1, subsection 16, Code 2022, is amended  
10 to read as follows:

11 16. "*Storage tank*" means a motor fuel storage tank as  
12 defined in [section 214.1](#), including an underground storage tank  
13 subject to regulation under chapter ~~455G~~ 455B, subchapter IV,  
14 part 8, or section 455G.31.

15 Sec. 20. Section 422.7, subsection 2, paragraph u, Code  
16 2022, is amended by striking the paragraph.

17 Sec. 21. Section 455B.174, subsection 4, paragraph d, Code  
18 2022, is amended to read as follows:

19 d. If a public water supply has a groundwater source  
20 that contains petroleum, a fraction of crude oil, or their  
21 degradation products, or is located in an area deemed by the  
22 department as likely to be contaminated by such materials, and  
23 after consultation with the public water supply system and  
24 consideration of all applicable rules relating to remediation,  
25 the department may require the public water supply system to  
26 replace that groundwater source in order to receive a permit  
27 to operate. The requirement to replace the source shall only  
28 be made by the department if the public water supply system  
29 is fully compensated for any additional design, construction,  
30 operation, and monitoring costs ~~from the Iowa comprehensive~~  
31 ~~petroleum underground storage tank fund created by chapter~~  
32 ~~455G~~ or from any other funds that do not impose a financial  
33 obligation on the part of the public water supply system.  
34 Funds available to or provided by the public water supply  
35 system may be used for system improvements made in conjunction

1 with replacement of the source. The department cannot require  
2 a public water supply system to replace its water source with a  
3 less reliable water source or with a source that does not meet  
4 federal primary, secondary, or other health-based standards  
5 unless treatment is provided to ensure that the drinking water  
6 meets these standards. Nothing in this paragraph shall affect  
7 the public water supply system's right to pursue recovery from  
8 a responsible party.

9 Sec. 22. Section 455E.11, subsection 2, paragraph d,  
10 subparagraph (3), Code 2022, is amended by striking the  
11 subparagraph.

12 Sec. 23. Section 455I.2, subsection 5, paragraph a, Code  
13 2022, is amended to read as follows:

14 a. A federal or state program that is subject to the  
15 jurisdiction of an agency, including but not limited to  
16 programs established by ~~chapters~~ chapter 455B and ~~455C~~,  
17 corrective or response actions pursuant to 42 U.S.C. §6901 et  
18 seq., and remedial actions under 42 U.S.C. §9601 et seq.

19 Sec. 24. EFFECTIVE DATE. This division of this Act takes  
20 effect July 1, 2023.

21 DIVISION III

22 FUEL TESTING STUDY

23 Sec. 25. FUEL TESTING AND LABORATORY NEEDS STUDY.

24 1. The department of agriculture and land stewardship  
25 shall conduct a study regarding the long-term future fuel  
26 testing needs in Iowa and how to maximize and leverage the  
27 Iowa central fuel testing laboratory located at Iowa central  
28 community college. The department may consider any matter  
29 that it determines to be relevant, including but not limited  
30 to the weights and measures bureau's testing needs for fuel  
31 inspection, cost analysis for future growth and laboratory  
32 equipment, and related support services for both the petroleum  
33 and renewable fuel industry in Iowa, which may be administered  
34 through a grant program.

35 2. The department may consult with Iowa central community

1 college and shall seek comments from persons and fuel industry  
2 leaders in Iowa who have an interest in the Iowa central fuel  
3 testing laboratory.

4 3. The department shall submit a report regarding the study,  
5 including findings and recommendations, to the governor and  
6 general assembly not later than December 15, 2022. The report  
7 may include proposed legislation determined by the department  
8 to be necessary or desirable.

9

DIVISION IV

10

REPEAL AND TRANSITION

11 Sec. 26. NEW SECTION. **427B.23 Future repeal.**

12 This subchapter is repealed July 1, 2023. All credits  
13 existing upon repeal of this subchapter shall continue until  
14 their expiration.

15 Sec. 27. NEW SECTION. **455G.21A Claims not eligible.**

16 A claim for a release filed on or after January 1, 2023,  
17 shall not be eligible for payment from the fund.

18 Sec. 28. NEW SECTION. **455G.21B Future repeal.**

19 This subchapter is repealed July 1, 2023.

20 Sec. 29. **TRANSITION PROVISIONS.**

21 1. Upon repeal of chapter 455G, subchapter 1, and the  
22 creation of the Iowa tanks fund pursuant to section 455B.472A,  
23 as enacted in this Act, all moneys in all funds administered by  
24 the Iowa comprehensive petroleum underground storage tank fund  
25 board are transferred to the department of natural resources  
26 for deposit in the Iowa tanks fund. Any moneys credited to  
27 any fund administered by the Iowa comprehensive petroleum  
28 underground storage tank fund board on and after July 1, 2023,  
29 are transferred to the department for deposit in the Iowa tanks  
30 fund.

31 2. Any rule, regulation, form, order, or directive  
32 promulgated by the Iowa comprehensive petroleum underground  
33 storage tank fund board as required to administer and enforce  
34 the provisions relating to the Iowa comprehensive petroleum  
35 underground storage tank fund shall continue in full force

1 and effect under the jurisdiction of the department of  
2 natural resources until amended, repealed, or supplemented by  
3 affirmative action of the department.

4 3. The Iowa comprehensive petroleum underground storage  
5 tank fund board shall administratively close or terminate  
6 any remaining liabilities, contracts, outstanding claims,  
7 payments, or other obligations for open comprehensive petroleum  
8 underground storage tank fund claims existing on or before June  
9 30, 2023.

10 4. The department of natural resources may begin  
11 implementation of this Act prior to July 1, 2023, to the  
12 extent necessary to transition to full implementation of the  
13 provisions relating to the Iowa tanks fund and repeal of the  
14 Iowa comprehensive petroleum underground storage tank fund.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with  
17 the explanation's substance by the members of the general assembly.

18 Currently, the Iowa comprehensive petroleum underground  
19 storage tank fund exists under the control of the Iowa  
20 comprehensive petroleum underground storage tank fund board.  
21 The Iowa comprehensive petroleum underground storage tank fund  
22 contains an account with moneys available to fund corrective  
23 action for petroleum releases. The Iowa comprehensive  
24 petroleum underground storage tank fund also contains a loan  
25 guarantee account and a marketability fund.

26 This bill repeals the Iowa comprehensive petroleum  
27 underground storage tank fund and eliminates the Iowa  
28 comprehensive petroleum underground storage tank fund board  
29 on July 1, 2023. The bill requires the department of natural  
30 resources (DNR) to establish and administer the Iowa tanks  
31 fund financing program to distribute financial assistance for  
32 work conducted by eligible entities. The bill creates the  
33 Iowa tanks fund within the state treasury under the control  
34 of DNR and requires DNR to administer the fund. The bill  
35 appropriates \$250,000 per year from the general fund to the



1 department of agriculture and land stewardship (DALs) beginning  
2 July 1, 2023, to inspect fuel quality at terminals and  
3 facilities. The program allows a claimant who has previously  
4 received assistance under the Iowa tanks fund or the Iowa  
5 comprehensive petroleum underground storage tank fund to  
6 receive reimbursement from the Iowa tanks fund for all or part  
7 of the costs of corrective action for a petroleum release.  
8 The bill allows for cost recovery efforts from potentially  
9 responsible parties when moneys from the Iowa tanks fund are  
10 used during the cleanup of contamination at a tank site. The  
11 bill directs the environmental protection commission to adopt  
12 rules for program eligibility, investigating and settling  
13 claims made against the fund, appeal procedures, community  
14 remediation, prioritization of fund moneys, funding for tank  
15 operator training, additional assessment and corrective action  
16 arising out of a release at a site for which a no further  
17 action certificate has been issued, and reimbursement for  
18 the permanent closure of an underground storage tank system.  
19 The bill provides that claims for releases filed on or after  
20 January 1, 2023, are not eligible for payment from the Iowa  
21 comprehensive petroleum underground storage tank fund.

22 The bill requires DALs to conduct a study regarding the  
23 long-term future fuel testing needs in Iowa and how to maximize  
24 and leverage the Iowa central fuel testing laboratory located  
25 at Iowa central community college. The bill requires DALs to  
26 submit a report regarding the study to the governor and general  
27 assembly not later than December 15, 2022.

28 The bill includes transition provisions retaining the  
29 effectiveness of rules, regulations, forms, orders, or  
30 directives promulgated by the Iowa comprehensive petroleum  
31 underground storage tank fund board until amended, repealed, or  
32 supplemented by affirmative action of DNR. Any moneys credited  
33 to the Iowa comprehensive petroleum underground storage tank  
34 fund on and after July 1, 2023, are transferred to DNR for  
35 deposit in the Iowa tanks fund.

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1     The divisions of the bill establishing the Iowa tanks fund  
2 and making conforming Code changes take effect July 1, 2023.